

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6057**

**BILL NUMBER: SB 76**

**NOTE PREPARED:** Nov 4, 2007

**BILL AMENDED:**

**SUBJECT:** Review of Privatization Plans.

**FIRST AUTHOR:** Sen. Lanane

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**  **GENERAL**  
 **DEDICATED**  
 **FEDERAL**

**IMPACT:** State

**Summary of Legislation:** The bill requires a state agency to develop a privatization plan before privatizing any state program. It requires the state agency to hold a hearing on the plan and report the results of the hearing to the public and the Budget Committee. It also requires the Budget Committee to review privatization plans before implementation and to make advisory recommendations to the Governor.

**Effective Date:** July 1, 2008.

**Explanation of State Expenditures:** The bill will have minimal increased costs for privatization plans. The vast majority of the requirements falling under the state agency's responsibilities are currently completed during contract procurement processes. Agencies should be able to collect any additional information required by the bill within the existing level of resources available to the agency.

The bill would require the Budget Committee to review the privatization plan and the findings of a hearing held by the state agency pertaining to the privatization plan. The Budget Committee is then required to make an advisory recommendation to the Governor concerning the proposed privatization. The bill requires the Governor to approve or disapprove the privatization plan. The provisions of this bill could increase the workloads of both the Budget Committee and Governor minimally.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** All.

**Local Agencies Affected:**

**Information Sources:**

**Fiscal Analyst:** Karen Firestone, 317-234-2106.